

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6456**

**BILL NUMBER:** HB 1593

**DATE PREPARED:** Jan 9, 2001

**BILL AMENDED:**

**SUBJECT:** Earned income tax credit.

**FISCAL ANALYST:** Brian Tabor

**PHONE NUMBER:** 233-9456

**FUNDS AFFECTED:**

**GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** Exempts an employer from the state income tax withholding requirements for an employee if the employee certifies to the employer that the employee's wages from the employer will comprise more than 80% of the employee's wages for the calendar year and will not exceed \$15,000. Increases the qualifying income amount from \$12,000 to \$18,000 under the earned income tax credit. Makes the credit permanent. (Under current law, the credit expires December 31, 2001.)

**Effective Date:** July 1, 2001; January 1, 2002.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**